

INFORMATION REPORT

CD NO.

COUNTRY Austria/UGOR

DATE DISTR 8 JAN 51

SUBJECT Recent Developments in the Soviet Oil Administration (SMV)

NO. OF PAGES 5

25X1

25X1 PLACE ACQUIRED [REDACTED]

NO. OF ENCLS. (LISTED BELOW)

25X1 DATE OF INFO. [REDACTED]

SUPPLEMENT TO REPORT NO. [REDACTED]

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THIS IS UNEVALUATED INFORMATION

25X1 SMV Policy and Plans

1. The Soviets have intensified their efforts to raise the production output of SMV refineries and have started extensive construction projects at several of these installations. It is reported that the Soviets now intend to rebuild the Moosbierbaum refinery where dismantling operations have been in progress for several months. The Soviets have also decided to build two additional cracking ovens at the Nova-Denow refinery before the spring of 1951. In line with this building program, SMV officials plan to renovate both the Lobau and Wifo-Lobau refineries and to lay a double track connecting them with the Stadlau (sic) railroad station. Cross-ties for this track have already been procured from the Sekanina plant in Pöchlarn a/d Donau, and 1,050 cubic meters of cinders from K. J. Baldauf. The Soviets have definitely abandoned plans to dismantle the Lobau warehouse and instead have decided to use it to store refinery equipment and supplies. In view of the current emphasis on procurement of raw materials from the E.P.G. refinery, SMV employees believe the Soviets may plan to speed up E.P.G. production. (1)

Procurement

2. Although at the present time all the refineries seem to have an adequate supply of sulfuric acid for their immediate requirements, authorities in Moscow have indicated their concern over the frequently recurring shortages of this commodity. Acting on orders from Moscow, on 4 November 1950 officials of the SMV Purchasing Office prepared a breakdown of all deliveries of sulfuric acid from Donau Chemie A.G. between June and October 1950. In this connection it is reported that Shvetsov, who is now acting director of the Purchasing Office during Kusin's illness, has indicated that he will try to stop sulfuric acid deliveries to the Shell and Vacuum Oil Company refineries which, in his opinion, have been receiving unnecessarily large allocations. (2)
3. Donau Chemie A.G. has recently raised <sup>its</sup> sulfuric acid price from 855 to 1,491 schillings per ton. (3) Between 25 and 31 October 1950 Donau Chemie delivered the following allocations of sulfuric acid to the refineries:

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Approved For Release 2003/08/11 : CIA-RDP82-00457R006600130010-8

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-2- CONFIDENTIAL

25X1

| <u>Refinery</u>    | <u>No. of Metric Tons<br/>of Sulfuric Acid</u> |
|--------------------|--|
| Nova Denow         | 15   |
| Kledering          | 15   |
| Voesendorf         | 20   |
| Vacuum Oil Company | 15   |

4. During the first week of November 1950 two tankcars of sulfuric acid which the SMV recently purchased from Fritz Reimann at a cost of 780 schillings per ton arrived in St. Valentin, Soviet Zone of Austria, and were immediately taken into custody by Soviet military authorities. Following a lengthy conference

1950 the Soviet Kommandatura ordered the release of these tankcars. Unless the sulfuric acid is delivered by 11 November 1950, Shvetsov plans to bill Reimann for the gasoline he has already received as compensation. It is reported that one carload was destined for the Moosbierbaum refinery, the other for Nova Denow.

5. Officials of the Okeros-Stockerau refinery are apparently planning to step up production at this refinery and have ordered large quantities of sulfuric acid. Meanwhile, Okeros has received one carload of hydrochloric acid from Bad Aussee and one and one-half tons of oleum, a sulfuric acid substitute, from Donau Chemie A.G.

Shipments from the Soviet Union

6. The SMV Purchasing Office recently received a directive from Moscow to the effect that the price of pipe imported from the USSR has been increased to about five times the original price. Since this directive was made retroactive to 15 January 1950, Purchasing Office employees will now have to issue new invoices totalling approximately 55,000,000 schillings for pipe delivered to Austria during this year.
7. During the period from 26 to 30 October 1950 the following shipments from the USSR were received at the SMV Central Warehouse in Neusiedl a/d Zaya:
- 2 carloads of iron pipe, weighing a total of 34,000 kilograms, from Sartana.
  - 3 cases of ball bearings, weighing a total of 145 kilograms, from Saratov.
8. The following shipments from the USSR were delivered to the SMV Central Warehouse in Neusiedl a/d Zaya between 31 October and 8 November 1950:
- 4 carloads of pipe, weighing a total of 95,480 kilograms, from Nikopol.
  - 2 carloads of pipe, weighing a total of 51,670 kilograms, from Dnyeprovsk.
9. During the period from 30 October to 6 November 1950 the SMV Purchasing Office paid cash for purchases from the following suppliers. All USIA-controlled firms in this list have been noted by an asterisk. Unless otherwise indicated, all non-USIA enterprises are located in the Allied sectors of Vienna.

| <u>Firm</u>   | <u>Item Purchased</u> | <u>Amount in Schillings</u> |
|---|-----------------------|-----------------------------|
| * Kloeckner-Humboldt-Deutz A.G.                                     | Two pistons           | 3,500.00                    |
| * Guthan (4)  | Glass                 | 7,750.08                    |
| Spezialfabrik moderner Pumpen Ernst Vogel, Stockerau, Lower Austria | Boilers and pumps     | 15,909.00                   |
| * Elin A.G.   | Electrical material   | 425.00                      |
| Three Vienna firms  | Laboratory material   | 6,018.30                    |
| Six Vienna firms  | Automobile parts      | 12,176.60                   |

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## CENTRAL INTELLIGENCE AGENCY

-3-

25X1

| Firm  | Item Purchased  | Amount in Schillings   |
|---|---|------------------------|
| * Henhapel-Heine, Eisen-u. Eisenwarengrosshdlg. A.G.  | Rectifier, electric motor, and tools                                | 6,844.17               |
| Bock (5)  | T-girders, steel, and U-iron  | 13,628.57              |
| Siemens & Halske G.m.b.H.   | Rectifier and electric motor  | 12,700.00              |
| Holzbauwerk Franz Havlicek, Vienna XXV (Neu-Erlaa)  | Lumber  | 9,234.78               |
| Three Vienna firms  | Tools   | 3,674.70               |
| Birnbaum (6)  | Steel winches   | 8,038.25               |
| * Franz Schmitt, A.G. für Lederindustrie, Rehberg bei Krems, Lower Austria (7)              | Work shoes  | 140,378.08             |
| * St. Egydyer Eisen-u. Stahlindustrie G.m.b.H. (8)  | Cable   | 96,837.00              |
| * Hydroxygen-G.m.b.H.   | Oxygen  | 2,943.80               |
| * Raab Karcher G.m.b.H.   | Tools   | 19,500.45              |
| * Friedrich Weichmann's Nachfolger G.m.b.H.   | Floodlights   | 1,080.62               |
| USIA (9)  | Gas pipe<br>Plates for drill rigs<br>(Kolonnenteller für Bohrtürme) | 26,640.90<br>33,362.60 |
| * Steyr-Daimler-Puch A.G.   | Automobile repairs  | 1,909.00               |
| * Boehler Gebr. & Co. A.G.  | Steel   | 129,610.94             |
| K.J. Baldauf (10)   | Building material   | 132,877.56             |
| * Oesterreichische Unilever A.G., Seifen- und Waschmittel-, Margarine- und Speiseölfabriken | Glycerine and other automobile supplies                             | 9,407.00               |
| "Standard" Ges. für Techn. Artikel  | Fan belts and other rubber material                                 | 28,582.00              |
| Eichler (11)  | Installation parts<br>Armatures                                     | 5,577.02<br>8,683.89   |
| Vladimir Slechta vorm. Lederer & Neessenyi, Vienna XXI (12)                                 | Building material<br>Firebrick                                      | 16,236.80<br>6,780.50  |
| J. & C. Eder, Vienna XX   | Lumber  | 50,638.99              |
| Draht- und Drahtwarenhandels G.m.b.H.   | Wire and cable  | 67,083.50              |
| Rudolf Kailich  | Automobile supplies   | 4,445.70               |
| Montanwerke Brixlegg G.m.b.H.   | Heavy spar  | 15,984.00              |
| Institut Betaendig für Fussheilbehelfe und Bandagen   | Scales  | 1,475.01               |
| Central Druckerei Ronner & Co.  | Office supplies   | 2,355.00               |
| Josef Altschul  | Electrical material   | 12,408.26              |
| Masil (13)  | Automobile parts  | 5,527.90               |
| "August" G.m.b.H.   | Automobile parts  | 33,758.64              |

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## CENTRAL INTELLIGENCE AGENCY

-1-

25X1

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| Firm  | Item Purchased                              | Amount in Schillings |
|---|---|----------------------|
| Oesterreichische Armaturen-G.m.b.H.                             | Installation material                       | 4,806.00             |
| * Stahl- und Temperguss A.G.                                    | Fittings                                    | 32,450.00            |
| Oesterreichisch-Alpine Montangesellschaft                       | Steel                                       | 2,068.50             |
| Grohs (14)  | work clothing                               | 27,074.94            |
| Elektrogrosshandlung Robert Nissl                               | Floodlights                                 | 19,625.00            |
| "Manus" Feuerlöschapparate-fabrik Josef Riefenthaler, Vienna XX | Fire extinguishing equipment                | 1,332.00             |
| "Chemia" Chemikalien G.m.b.H.                                   | Hydrochloric acid                           | 4,011.00             |
| Aga-Werke A.G., Vienna IV                                       | Oxygen                                      | 57,000.00            |
| Industriegaswerk R. Veselinov & Co., Vienna XX                  | Gas   | 2,030.00             |
| Redelsteiner(6)   | Canvas suits                                | 24,673.40            |
| Franz Sekanina, Vienna IV, Karolinengasse 5                     | Railroad cross-ties                         | 36,995.36            |
| Hanauska (15)   | Automatic machine                           | 17,382.30            |
| * Eisen- und Stahlwerke A.G.                                    | T-iron                                      | 1,707.37             |
| "Canada", Tiefbohrgeraete-u. Maschinenfabrik G.m.b.H.           | Swab rubber, casings (Büchsen) casing heads | 92,193.50            |

SMV Personnel

10. The Soviets have recently initiated a number of administrative changes in the SMV Vienna offices. Although they will still retain SMV Headquarters at Vienna I, Kantgasse 1, they have transferred a number of personnel from this office to the Purchasing Office at Vienna I, Schottengasse 10. In addition, the following purchasing agents have been assigned to the Purchasing Office: Springenfels, from Matzen; Feuchtinger, from Aderklaa; Winter, from SMV's deep-well drilling office; and an unidentified purchasing agent from Erdgas G.m.b.H., Vienna I, Habsburgergasse 1.
11. Frolov, one of Kusun's two deputies, will be transferred permanently to USIA on 16 November 1950. Shvetsov will continue as acting director of the Purchasing Office until a replacement for Frolov arrives from the USSR.

(1)  Comment: For the past two years the Soviets have regarded the EPG refinery as an unprofitable enterprise and have, therefore, allocated only nominal amounts of raw materials to this refinery.

(2)

(3)  Comment: The SMV owes Donau Chemie 150,000 schillings.

(4)  Comment: The SMV probably purchased this glass from either Otto Guthan, Vienna XXI, Floridsdorfer Hauptstrasse 33, or Guthan & Gaerner, Vienna XXI, Schoepfleuthnergasse 20. Both of these firms are USIA-controlled.

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## CENTRAL INTELLIGENCE AGENCY

-5-

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25X1

- 25X1 (5) ☐ Comment: This firm may be identical with Pongracz & Bock Armaturen- und Metallwarenfabrik A.G., which has frequently supplied the SMV with various types of iron and steel.
- 25X1 (6) ☐ Comment: This firm cannot be accurately identified from available reference material.
- 25X1 (7) ☐ Comment: The SMV is 150,000 schillings in debt to this firm.
- 25X1 (8) ☐ Comment: The SMV owes this firm 200,000 schillings.
- 25X1 (9) ☐ Comment: The SMV still owes USIA 120,000 schillings. In this connection, it is estimated that the SMV has purchased a total of 42,000,000 schillings' worth of equipment from the USIA-controlled firm, Mannesmann-Traulz A.G. since January 1950. Approximately 80 percent of this equipment has been allocated to the Matzen and Aderklaa oilfields.
- 25X1 (10) ☐ Comment: The SMV is 100,000 schillings in debt to this supplier.
- 25X1 (11) ☐ Comment: Probably identical with Ing. Ewald Eichler, Vienna IV, Favoritenstrasse 20.
- 25X1 (12) ☐ Comment: The SMV is still 60,000 schillings in debt to this firm.
- 25X1 (13) ☐
- 25X1 (14) ☐ Comment: In this connection it is reported that the SMV is now purchasing large orders of work clothing from Czechoslovakia through the Gottwald firm, Vienna I, Gonzagagasse 1. On 7 November 1950 the SMV Purchasing Office despatched two trucks to collect a shipment at Drasenhofen on the Austro-Czech border. On 8 November Juschwneschtrans was scheduled to deliver 15 additional tons of work clothing imported from Czechoslovakia to the Lobau warehouse.
- 25X1 ☐ Comment: Neither Grohs nor Gottwald can be accurately identified from available reference material.
- 25X1 (15) ☐ Comment: Possibly identical with Hans Hanauska, Gross-Einhandel, Werksvertretungen, Baden bei Wien; Auslieferungslager u. Evidenzbüro, Vienna VI, Koestlergasse 5.

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